

**Franchise Tax Board****NO ANALYSIS REQUIRED**Author: Assm. Rev. & Tax Comm. Analyst: Garnier Bill Number: AB 1208Related Bills: SB 94 (1999) Telephone: 845-5322 Introduced Date: 2-26-99Attorney: Doug Bramhall Sponsor: \_\_\_\_\_**SUBJECT:** Conformity Act of 1999

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☐ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- ☐ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- ☐ MINOR AMENDMENT - No change in approved position of \_\_\_\_\_. See comments below.
- ☒ OTHER - See comments below.

**COMMENTS:**

The Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), in general, conform to the Internal Revenue Code (IRC) either by incorporating the IRC by reference or by stand alone language which mirrors the federal provision. When applying the IRC for state purposes, the IRC as of the "specified date" of January 1, 1998, must be used, unless a specific provision provides otherwise. This bill would change the specified date from January 1, 1998, to January 1, 1999, for taxable and income years beginning on or after January 1, 1999. Changing the specified date automatically conforms to all changes in the IRC from January 1, 1998, through December 31, 1998, that have been previously incorporated by reference.

The author's office indicated that this bill is a spot bill and will be amended to include additional provisions to conform to, not to conform to or modify various areas of the federal law. In its present form, this bill substantially amends current California tax law; however, because the bill is a spot bill it will not be analyzed.

The bill does contain a technical error on page 3, line 27. The year "1999" should be changed to "1998".

The total impact of this bill will be analyzed when more substantial language is amended into the bill.

**Board Position:**

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
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<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Franchise Tax Board Staff

Date

**Jeff Garnier****03/19/1999**